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APPENDIX

1. "A flat rate is either a local rate of a single carrier or a joint rate of two or more carriers published as a unit and not dependent for application on any previous or subsequent transportation." (164 I.C.C. 619 at 633)

2. "A proportional rate is a * * * rate dependent for application upon (1) a previous transportation to the point from which the proportional rate applies; (2) a subsequent transportation from the point to which the proportional rate applies; (3) or both." (*Id.* at 633)

3. "An overhead rate with transit is a * * * rate under which shipments may be stopped at an intermediate point for marketing, milling, or other recognized transit purpose, and in the absence of which the through charge would be the lowest combination of applicable rates to and from the transit point." (*Id.* at 633)

4. "A transit balance is an incident of an overhead through rate with transit. Shipments are billed inbound to the transit point at the flat rate. On the outbound shipment the amount paid is the difference between the through rate from the point of origin to final destination and the flat rate from the point of origin to the transit point. This difference is known as the transit balance." (*Id.* at 633)

5. "Primary markets" are those large grain centers from which proportional rates are published. (*Board of Trade of Kansas City v. United States*, 314 U.S. at 535; *Grain and Grain Products*, 164 I.C.C. at 635)

6. On a "rate-break" basis grain is moved on a combination of the rate to the primary market and the proportional rate from the primary market to another market or to final destination. (*Board of Trade* case, *supra*, at 539)

7. Interior transit points are transit points other than primary markets. (*Board of Trade* case, *supra*, at 535-536)

8. Referring to the transit privilege, this Court said in *Board of Trade* at 538-539:

> "This privilege was available in the primary markets under two different rate schemes: (1) the 'overhead through rate' and (2) the 'rate-break combination.'
>
> "(1) An overhead through rate is the rate from an originating point to the final destination, or to a gateway like Chicago, via a particular point. Thus, on a shipment of grain from Enid, Oklahoma, to Chicago via Kansas City, the overhead through rate was 38.5 cents per hundred pounds. Under this rate, grain reaching Kansas City could receive the various privileges of transit upon payment of 23.5 cents (the local rate from Enid to Kansas City) upon the inbound shipment, and the difference (known as the 'transit balance') between the overhead through rate, 38.5 cents and the 23.5 cents inbound rate, upon the outbound shipment.
>
> "(2) On a 'rate-break' basis, however, grain moved on a combination of the local or flat rate from the originating point to the primary market and the 'proportional' rate from that market to a gateway or the final destination. The primary markets therefore came to be known as 'rate-break' points. The 'proportional' rate, representing an average of transit balances under overhead through rates, was designed to offset the competitive advantages of lines going through rate-break points as against lines starting there. The significance of the rate-break combination lay in the fact that for many points of origin there were no overhead through rates. In the above example, the proportional rate on outbound grain shipments from Kansas City to Chicago was 17.5 cents. The applicable rate on a shipment of grain from an originating point having no through rate to Chicago via Kansas City, with or without transit at Kansas City, was a combination of the local rate to Kansas City and the proportional rate from Kansas City to Chicago."

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